

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION
OF THE STATE OF OREGON

IN THE MATTER OF:
Gas Transmission Northwest LLC
Compressor Station #13

Respondent,

GTN'S ANSWER AND REQUEST
FOR CONTESTED CASE HEARING
AND INFORMAL DISCUSSION RE
FINAL ORDER TO REQUIRE
COMPLIANCE WITH ROUND II OF
REGIONAL HAZE

CASE NO. AQ/RH-HQ-2021-140

Respondent Gas Transmission Northwest LLC (GTN) requests a contested case hearing regarding the Final Order to Require Compliance with Round II of Regional Haze, Case No. AQ/RH-HQ-2021-140 (Final Order), issued by the Oregon Department of Environmental Quality (DEQ) on August 9, 2021.

ANSWER

The following presents GTN's written response to DEQ's Final Order.

I. AUTHORITY

The allegations in Section I are legal conclusions to which no response is required.

II. FINDINGS OF FACT

1. GTN admits the allegations in Section II, paragraph 1.
2. GTN admits the allegations in Section II, paragraph 2.
3. GTN admits the allegations in Section II, paragraph 3.

1 4. The allegations in Section II, paragraph 4 are legal conclusions to which no
2 response is required.

3 5. GTN admits the allegations in Section II, paragraph 5.

4 6. GTN admits the allegations in Section II, paragraph 6, except that GTN lacks
5 information sufficient to admit or deny the allegation regarding the plant site emissions limit
6 (PSEL) for nitrogen oxides (NOx) as of December 31, 2017. Based on information and belief,
7 GTN admits that the Facility's current PSEL for NOx is 224 tons per year.
8

9 7. GTN denies the allegations in Section II, paragraph 7. Based on information and
10 belief, measured in a straight line, GTN's Compressor Station 13 is 14.1 kilometers from Crater
11 Lake National Park, which is the nearest Class I Area.

12 8. GTN denies the allegations in Section II, paragraph 9. DEQ sent GTN a notice
13 requiring GTN to conduct a four-factor analysis on December 23, 2019.
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15 9. GTN admits the allegations in Section II, paragraph 9.

16 10. GTN admits the allegations in Section II, paragraph 10.

17 11. GTN denies the allegations in Section II, paragraph 11. GTN has never found
18 that control of NOx through installation of Selective Catalytic Reduction (SCR) is cost effective.
19 Therefore, DEQ has never concurred with GTN on this subject.

20 12. GTN admits that it sent DEQ updated control cost information on August 3, 2021.
21 GTN also admits that DEQ's cost-effectiveness analysis was attached to the Final Order as
22 Exhibit A. GTN denies the remainder. SCR is not a cost-effective control technology as applied
23 to Station 13 Units 13C and 13D. *See* OAR 340-223-0120(4)(a). To the extent Exhibit A itself
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1 provides Findings of Fact requiring denial, which GTN contends does not, GTN denies the
2 following assumptions/inputs into DEQ's cost-effectiveness analysis as presented in Exhibit A:

- 3 A. Using a 90% NOx reduction to calculate cost effectiveness
- 4 B. Using Plant Site Emission Limit (PSEL) to calculate cost effectiveness, in
5 which it is assumed that the Station 13 Units 13C and 13D operate 8,760 hours per year.
- 6 C. Using a 30-year useful life to calculate cost effectiveness
- 7 D. SCR Capital Costs, including instrumentation (i.e., Continuous Emissions
8 Monitoring System (CEMS) costs)
- 9 D. Operating materials: ammonia
- 10 E. Catalyst maintenance/replacement
- 11 E. Testing and QA/QC, including additional costs of operating CEMS
- 12 F. Overhead
- 13 G. Administrative Charges
- 14 H. Property Taxes
- 15 I. Insurance
- 16 J. Capital Recovery
- 17 H. Interest

20 **III. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

- 21 1. GTN admits the allegations in Section III, paragraph 1, except that the Facility's
22 Q/d value was calculated by DEQ based on a PSEL for NOx of 224 tons per year.
- 23 2. GTN admits that it has a Title V operating permit and Station 13 has a Q/d value
24 greater than 5.00. The remainder of the allegations in Section III, paragraph 2 are legal

1 conclusions to which no response is required.

2 3. GTN admits the allegations in Section III, paragraph 3.

3 4. GTN denies the allegations in Section III, paragraph 4. SCR is not a cost-
4 effective control technology for NOx as applied to Compressor Station 13 Units 13C and 13D.
5 OAR 340-223-0120(4)(a).

6 **IV. ORDER REQUIRING COMPLIANCE WITH ROUND II OF REGIONAL HAZE**

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8 GTN admits that DEQ has issued a Final Order requiring GTN to install SCR on Station
9 13 Units 13C and 13D. GTN denies that SCR is a cost-effective control technology for NOx as
10 applied to Units 13C and 13D. OAR 340-223-0120(4)(a). Section IV, paragraphs 1–4 contain
11 procedural and legal conclusions by DEQ to which no responses are required.

12 **V. NOTICE OF RIGHT TO REQUEST A CONTESTED CASE HEARING**

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14 GTN Requests a contested case hearing regarding the Final Order before an
15 administrative law judge employed by the Office of Administrative Hearings. Section V
16 contains procedural and legal conclusions to which no responses are required.

17 **AFFIRMATIVE DEFENSES**

18 1. DEQ's Final Order is arbitrary and capricious on its face. The Order requires
19 GTN to install a Continuous Emissions Monitoring System (CEMS) on Units 13C and 13D.
20 (Final Order: Section IV, Paragraph 1.) However, DEQ's cost-effectiveness analysis explicitly
21 operates on the assumption that CEMS is *not* required. (Exhibit A.) Installation of CEMS
22 would increase the cost per ton of NOx removed and would materially affect the cost
23 effectiveness analysis and resulting conclusion. By not taking into account CEMS in its cost-
24 effectiveness analysis, but nonetheless requiring it in Final Order, DEQ acted arbitrary and
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26

1 capriciously.

2 2. DEQ's Final Order is also arbitrary and capricious due to the level of NOx
3 reductions it requires. DEQ is attempting to require GTN to do the infeasible—continuously
4 achieve a 90% NOx reduction on GTN's Rolls Royce combustion turbines. Retrofit application
5 of SCR on a natural gas transmission combustion turbine has not achieved 90% reduction on a
6 continuous basis as a permit condition, which GTN is concerned could cause an issue
7 maintaining compliance.
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9 3. DEQ's Final Order is contrary to law in that it ignores and/or misapplies
10 Environmental Protection Agency (EPA) Regional Haze guidance documents, including EPA's
11 Air Pollution Control Cost Manual and relevant updates. DEQ's rulemaking stated that it would
12 rely on these guidance documents, and DEQ points to the guidance documents as its basis for
13 certain itemized costs in its cost-effectiveness analysis. However, the guidance documents
14 support GTN's, rather than DEQ's cost-effectiveness analysis. Therefore, DEQ acted contrary
15 to law.
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17 4. DEQ's Final Order is contrary to the Regional Haze rules in chapter 340, division
18 223 of the Oregon Administrative Rules. SCR is not a cost-effective control technology as
19 applied to Station 13 Units 13C and 13D. *See* OAR 340-223-0120(4)(a).
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21 **REQUEST FOR CONTESTED CASE HEARING**

22 GTN requests a contested case hearing regarding the Final Order before an administrative
23 law judge employed by the Office of Administrative Hearings.

24 **REQUEST FOR INFORMAL DISCUSSIONS**

25 GTN requests informal discussions with DEQ regarding the Final Order and in the
26

1 matters in this Answer and Request for Contested Case Hearing and Informal Discussion.

2 **RESERVATION**

3 This Request for Contested Case Hearing and Informal Discussion is made prior to the
4 completion of GTN's preparation for hearing in this matter and prior to any discovery. DEQ
5 asserts that it revised GTN's cost-effectiveness analysis under OAR 340-223-0120(2)-(4).
6 Under those provisions, "DEQ shall place any information submitted or relied on under this
7 subsection into its record." OAR 340-223-0120(2). On July 22, 2021, GTN submitted a public
8 records request to DEQ and EPA requesting information related to the cost-effectiveness
9 analysis described in the Final Order. DEQ has indicated it will be unable to respond to the
10 records request until at least August 28, 2021. At the time of filing this Request for Contested
11 Case Hearing and Informal Discussion, GTN has received no documents from either agency.
12 Accordingly, GTN reserves the right to supplement the factual allegations and affirmative
13 defenses it may have after further discovery and investigations and will make an appropriate
14 motion to do so if necessary.
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17 **CONCLUSION**

18 For the reasons stated above, GTN requests a contested case hearing on the Final Order
19 and requests informal discussions with DEQ prior to such contested case hearing.
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21 DATED: August 18, 2021
22

23 BEVERIDGE & DIAMOND, P.C.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that I am employed at the law firm of Beveridge & Diamond, P.C., over the age of eighteen and not a party to the within cause. On the date written below, a true and correct copy of the foregoing document was submitted via email as follows:

Service List	
Oregon DEQ Office of Compliance and Enforcement 700 NE Multnomah Street, Suite 600 Portland, OR 97232 DEQappeals@deq.state.or.us	<input type="checkbox"/> U.S. Mail <input type="checkbox"/> By Electronic Service <input checked="" type="checkbox"/> By Email <input type="checkbox"/> By Messenger <input type="checkbox"/> By Facsimile

I declare under the penalty of perjury under the laws of the State of Washington that the foregoing is true and correct and that this declaration was executed on August 18, 2021 at Seattle, Washington.



Tina M. Hein, Legal Assistant